GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:255
ANSWERED ON:19.07.2016
Cutting down Subsidy on Urea
Gutha Shri Sukender Reddy

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is planning to increase the prices of urea in the country, if so, the details thereof and the reasons therefor;

(b) whether in view of the present trend the Government is contemplating on cutting down the subsidies on urea and if so, the details thereof; and

(c) the details of the steps being taken by the Government to maintain stability in the prices of urea?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS, SHIPPING, ROAD TRANSPSORT & HIGHWAYS

(SHRI MANSUKH L MANDAVIYA)

(a): No, Madam. At present, there is no proposal to increase the prices of urea.

(b): The difference between the delivered cost of fertilizers at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India.

The Government has announced New Urea Policy-2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in the urea units; and to reduce the subsidy burden on the Government.

(c): The Maximum Retail Price (MRP) of urea is statutorily controlled by the Government. At present, it is Rs. 5360 per MT (exclusive of 1% central excise duty, central sales tax, countervailing duty, the sales tax and other local taxes wherever levied) w.e.f. 01st November, 2012. Further, an extra MRP of 5% (of Rs. 5360/- per MT) is charged by the fertilizer manufacturing entities on Neem Coated Urea.

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